

LaPorte County, Indiana
2006 Pay 2007 Budget Order

An analysis of the data with the 2006 Pay 2007 Budget Order for LaPorte County shows that the budgets, levies and tax rates to be approved are in compliance with Indiana statutes.

LaPorte County has three cross-county units: Michigan City Area School Corporation, John Glenn School Corporation, and New Prairie United School Corporation. Michigan City Area School Corp crosses into Porter County from LaPorte County, the major county. LaPorte is the minor county for John Glenn Schools (St. Joseph), and the major county for New Prairie United Schools. Because all of these counties have had their assessments and budget orders approved, the cross county units have been included in this analysis. However, it is important to note that data for these units is for the portions of the units in LaPorte County only.

LaPorte County includes three Conservancy Districts. A Conservancy District is a special taxing district created to provide flood control, irrigation, potable water or wastewater service within a specified area. The cost of providing these services are charged to landowners in the form of a special assessment based on the benefit provided. These special assessments are added to the property tax bill of each landowner and collected along with property taxes. Since the benefit derived may not relate to the assessed value of the property, these assessments are normally expressed in terms of dollars of assessment and not as a tax rate per \$100 of net assessed value. Therefore, the Conservancy District special assessment has not been included in this analysis.

Real property and sales data are in compliance with departmental and statutory requirements. Auditor data will not be available until after certification.

Changes in Local Tax Levies

Tax levy increases are made up of routine increases in controlled levies, increases in tax rate controlled levies and debt service levies. Controlled levies increase based on an annual growth factor or excess levy appeals. Tax rate controlled levies increase based on increases in assessed value applied to a specific tax rate (tax rates are adjusted downward to eliminate the effect of reassessment or trending).

The total net increase in tax levy for Pay 2007 on a county-wide basis was approximately \$6.7 million, or 4.88%. Following are the levy changes that were greater than \$1 million or a 10% change over the previous year levy. The largest total dollar increases in levy were due to the Michigan City Civil City (\$1,189,327), the LaPorte Community School Corporation (\$2,255,417), the Michigan City Sanitary (\$905,038), the New Prairie United School Corporation (\$932,008) and the Michigan City Area School Corporation (\$1,085,964).

LaPorte County

<u>Fund</u>	<u>Pay 2006 Certified Levy</u>	<u>Pay 2007 Certified Levy</u>	<u>\$ Change</u>	<u>% Change</u>
2006 Reassessment	\$428,961	\$372,193	(\$56,768)	(13.23%)
Cumulative Bridge	775,986	1,019,236	243,250	31.35%
County Major Bridge	486,799	606,961	120,162	24.68%
Children's Psychiatric Treatment	134,954	217,590	82,636	61.23%
Health	824,184	1,047,866	223,682	27.14%
Regional Planning	48,198	28,630	(19,568)	(40.60%)

Total County levy decrease of \$860,193 for a percentage decrease of 2.55%.

LaPorte County Welfare

<u>Fund</u>	<u>Pay 2006 Certified Levy</u>	<u>Pay 2007 Certified Levy</u>	<u>\$ Change</u>	<u>% Change</u>
Welfare – Family and Children	\$6,019,916	\$4,409,054	(\$1,610,862)	(26.76%)

Coolspring Township

<u>Fund</u>	<u>Pay 2006 Certified Levy</u>	<u>Pay 2007 Certified Levy</u>	<u>\$ Change</u>	<u>% Change</u>
General	\$29,373	\$33,790	\$4,417	15.04%

Total Township levy increase of \$3,227 or 2.16%.

Dewey Township

<u>Fund</u>	<u>Pay 2006 Certified Levy</u>	<u>Pay 2007 Certified Levy</u>	<u>\$ Change</u>	<u>% Change</u>
Township Assistance	\$496	\$1,979	\$1,483	298.99%
Recreation	6,053	4,650	(1,403)	(23.18%)

Total Township levy increase of \$120 or 0.22%.

Hanna Township

<u>Fund</u>	<u>Pay 2006 Certified Levy</u>	<u>Pay 2007 Certified Levy</u>	<u>\$ Change</u>	<u>% Change</u>
Township Assistance	\$777	-	(\$777)	(100.00%)
Fire Equipment Debt	20,478	39,725	19,247	93.99%

Total Township levy increase of \$17,931 or 23.02%.

Hudson Township

<u>Fund</u>	<u>Pay 2006 Certified Levy</u>	<u>Pay 2007 Certified Levy</u>	<u>\$ Change</u>	<u>% Change</u>
General	\$5,505	\$1,976	(\$3,529)	(64.11%)
Township Assistance	-	3,522	3,522	-

Total Township levy decrease of \$2,873 or 3.39%.

Kankakee Township

<u>Fund</u>	<u>Pay 2006 Certified Levy</u>	<u>Pay 2007 Certified Levy</u>	<u>\$ Change</u>	<u>% Change</u>
General	\$6,635	\$10,813	\$4,178	62.97%
Township Assistance	1,935	5,268	3,333	172.25%
Fire	61,978	70,518	8,540	13.78%

Township received \$16,587 in excess levy appeals for 2007; \$10,000 for volunteer fire department and \$6,587 for township assistance. Total Township levy increase of \$19,054 or 12.37%.

Lincoln Township

<u>Fund</u>	<u>Pay 2006 Certified Levy</u>	<u>Pay 2007 Certified Levy</u>	<u>\$ Change</u>	<u>% Change</u>
General	\$3,774	\$3,016	(\$758)	(20.08%)
Township Assistance	962	2,011	1,049	109.04%

New Durham Township

<u>Fund</u>	<u>Pay 2006 Certified Levy</u>	<u>Pay 2007 Certified Levy</u>	<u>\$ Change</u>	<u>% Change</u>
General	\$26,674	\$22,729	(\$3,945)	(14.79%)
Township Assistance	5,073	11,850	6,777	133.59%

\$1,249 levy excess in 2006 adjusted in 2007. Total Township levy increase of \$6,312 or 5.37%.

Noble Township

<u>Fund</u>	<u>Pay 2006 Certified Levy</u>	<u>Pay 2007 Certified Levy</u>	<u>\$ Change</u>	<u>% Change</u>
Fire	\$32,556	\$28,781	(\$3,775)	(11.60%)

Pleasant Township

<u>Fund</u>	<u>Pay 2006 Certified Levy</u>	<u>Pay 2007 Certified Levy</u>	<u>\$ Change</u>	<u>% Change</u>
General	\$13,810	\$15,936	\$2,126	15.39%
Township Assistance	\$1,170	-	(\$1,170)	(100.00%)

Total Township levy increase of \$5,025 or 4.31%.

Prairie Township

<u>Fund</u>	<u>Pay 2006 Certified Levy</u>	<u>Pay 2007 Certified Levy</u>	<u>\$ Change</u>	<u>% Change</u>
General	\$8,616	\$11,054	\$2,438	28.30%
Township Assistance	\$2,308	-	(\$2,308)	(100.00%)

Scipio Township

<u>Fund</u>	<u>Pay 2006 Certified Levy</u>	<u>Pay 2007 Certified Levy</u>	<u>\$ Change</u>	<u>% Change</u>
Township Assistance	\$2,342	\$3,479	\$1,137	48.55%

Total Township levy increase of \$458 or 0.32%.

Springfield Township

<u>Fund</u>	<u>Pay 2006 Certified Levy</u>	<u>Pay 2007 Certified Levy</u>	<u>\$ Change</u>	<u>% Change</u>
General	\$35,722	\$30,003	(\$5,719)	(16.01%)
Township Assistance	9,756	16,058	6,302	64.60%
Fire Equipment Debt	39,985	81,433	41,448	103.66%

Total Township levy increase of \$39,274 or 24.24%.

LaPorte City Redevelopment Commission

<u>Fund</u>	<u>Pay 2006 Certified Levy</u>	<u>Pay 2007 Certified Levy</u>	<u>\$ Change</u>	<u>% Change</u>
Tax Increment Replacement	-	\$65,920	\$65,920	-

Michigan City Civil City

<u>Fund</u>	<u>Pay 2006 Certified Levy</u>	<u>Pay 2007 Certified Levy</u>	<u>\$ Change</u>	<u>% Change</u>
Fire Pension	\$385,233	\$495,439	\$110,203	28.61%
Police Pension	526,882	631,998	105,116	19.95%
Cumulative Channel Maintenance	221,079	281,064	59,985	27.13%

Total City levy increase of \$1,189,327 or 7.68%.

Westville Public Library

<u>Fund</u>	<u>Pay 2006 Certified Levy</u>	<u>Pay 2007 Certified Levy</u>	<u>\$ Change</u>	<u>% Change</u>
General	\$59,567	\$66,632	\$7,065	11.86%
Debt Service	\$54,657	-	(\$54,657)	(100.00%)

Total Library levy decrease of \$47,592 or 41.67%. \$4,663 levy excess in 2006 adjusted in 2007.

LaPorte Civil City

<u>Fund</u>	<u>Pay 2006 Certified Levy</u>	<u>Pay 2007 Certified Levy</u>	<u>\$ Change</u>	<u>% Change</u>
Lease Rental Payment	\$77,493	\$232,645	\$155,152	200.21%
Fire Pension	474,544	527,591	53,047	11.18%
Police Pension	380,274	163,246	(217,028)	(57.07%)
Motor Vehicle Highway	47,135	145,896	98,761	209.53%
Cumulative Capital Development	222,892	412,451	189,559	85.05%

Total City levy increase of \$279,729 or 3.20%.

Long Beach Civil Town

<u>Fund</u>	<u>Pay 2006 Certified Levy</u>	<u>Pay 2007 Certified Levy</u>	<u>\$ Change</u>	<u>% Change</u>
General	\$414,668	\$459,835	\$45,167	10.89%
Lease Rental Payment	23,721	126,726	103,005	434.24%
Park and Recreation	77,769	48,277	(29,492)	(37.92%)

Total Town levy increase of \$130,301 or 16.37%.

Wanatah Civil Town

<u>Fund</u>	<u>Pay 2006 Certified Levy</u>	<u>Pay 2007 Certified Levy</u>	<u>\$ Change</u>	<u>% Change</u>
General	\$134,492	\$204,085	\$69,593	51.75%
Motor Vehicle Highway	63,647	6,164	(57,483)	(90.32%)

Total Town levy increase of \$8,291 or 3.82%

Michigan City Sanitary

<u>Fund</u>	<u>Pay 2006 Certified Levy</u>	<u>Pay 2007 Certified Levy</u>	<u>\$ Change</u>	<u>% Change</u>
General	-	\$309,741	\$309,741	-
Debt Service	-	484,383	484,383	-
Refuse	1,871,101	1,982,015	110,914	5.93%

Total District levy increase of \$905,038 or 48.37%. There was a \$284,393 levy excess from 2006 adjusted in 2007. CAGIT PTRC decreased by 50% from 2006 to 2007.

Westville Civil Town

<u>Fund</u>	<u>Pay 2006 Certified Levy</u>	<u>Pay 2007 Certified Levy</u>	<u>\$ Change</u>	<u>% Change</u>
General	\$248,220	\$305,595	\$57,375	23.11%

\$44,762 levy excess in 2006 that was adjusted in 2007. CAGIT PTRC decreased by 3% from 2006 to 2007. Total Town levy increased by \$57,767 or 22.12%.

Cass Township School Corporation

<u>Fund</u>	<u>Pay 2006 Certified Levy</u>	<u>Pay 2007 Certified Levy</u>	<u>\$ Change</u>	<u>% Change</u>
Capital Projects	\$147,372	\$174,061	\$26,689	18.11%
Bus Replacement	25,646	9,187	(16,459)	(64.18%)

Total School levy increase of \$39,464 or 4.67%.

New Prairie United School Corporation

<u>Fund</u>	<u>Pay 2006 Certified Levy</u>	<u>Pay 2007 Certified Levy</u>	<u>\$ Change</u>	<u>% Change</u>
Debt Service	\$1,620,453	\$2,028,546	\$408,093	25.18%
Bus Replacement	105,319	223,391	118,072	112.11%
Transportation	933,794	1,042,128	108,334	11.60%

Total School levy increase of \$932,008 or 12.00%. Received a P.L. 2-2006 excess levy for \$40,606 for Transportation. This is a cross-county unit with St. Joseph County. Amounts above are only the LaPorte County portion.

New Durham Township School Corporation

<u>Fund</u>	<u>Pay 2006 Certified Levy</u>	<u>Pay 2007 Certified Levy</u>	<u>\$ Change</u>	<u>% Change</u>
Debt Service	\$1,065,329	\$919,445	(\$145,884)	(13.69%)
Pension Debt	-	87,807	87,807	-
Capital Projects	469,498	526,646	57,148	12.17%
Transportation	100,642	113,644	13,002	12.92%
Bus Replacement	52,530	62,747	10,217	19.45%

Total School levy increase of \$122,206 or 4.24%. Received a P.L. 2-2006 excess levy for \$9,583 for Transportation.

Michigan City Area School Corporation

<u>Fund</u>	<u>Pay 2006 Certified Levy</u>	<u>Pay 2007 Certified Levy</u>	<u>\$ Change</u>	<u>% Change</u>
Pension Debt	\$715,159	\$849,914	\$134,755	18.84%
Transportation	2,635,742	3,125,394	489,652	18.58%
Bus Replacement	321,596	446,054	124,458	38.70%

Total School levy increase of \$1,085,964 or 3.67%. Received a P.L. 2-2006 excess levy for \$101,041. Also received an excess levy of \$452,791 in 2007 for school transportation. LaPorte is the major county in this cross-county unit with Porter.

LaPorte Community School Corporation

<u>Fund</u>	<u>Pay 2006 Certified Levy</u>	<u>Pay 2007 Certified Levy</u>	<u>\$ Change</u>	<u>% Change</u>
Debt Service	\$5,573,346	\$6,756,491	\$1,183,145	21.23%
Pension Debt	1,097,390	1,308,420	211,030	19.23%
Capital Projects	2,585,838	3,274,202	688,364	26.62%
Bus Replacement	383,480	-	(383,480)	(100.00%)

Total School levy increase of \$2,255,417 or 10.40%.

No units in the County exceeded the working maximum levy. All units in the County levied up to the working maximum levy except for the following:

Center Township - \$9,500 or 6.21% under working max levy.

Center Township - Fire - \$5,361 or 6.17% under working max levy.

Prairie Township School Corporation - \$110,638 or 89.32% under working max levy.

Michigan City Area School Corporation - \$1,302,884 or 7.73% under working max levy.

Michigan City Area School Corporation-Transportation - \$396,938 or 11.27% under working max levy.

LaPorte County is a CAGIT county, and, in CAGIT counties, controlled levies grow at a rate higher than non-CAGIT counties. In addition, a number of taxing units had maximum levy reduction in 2006 due to levy excesses, which were then readjusted in 2007, resulting in the growth of some controlled levies being higher than the normal statutory levy increase.

Changes in Real Property Gross Assessed Values

Real Property Gross Assessed Values increases by property class are as follows.

<u>Class</u>	<u>% Increase</u>
Agriculture	9.15%
Mineral	(85.63%)
Industrial	25.98%
Commercial	46.07%
Residential	32.35%
Utility	88.49%

Changes in the proportion of Gross Assessed Value by Class can create a burden shift from one class to another. The proportion (mix) of values of real property by class (this can represent the relative tax burden by class, except that it does not include the impact of deductions or credits).

<u>Class</u>	<u>2006 Ratio</u>	<u>2007 Ratio</u>
Agriculture	9.99%	8.25%
Mineral	0.02%	0.00%
Industrial	4.19%	4.00%
Commercial	14.70%	16.26%
Residential	70.59%	70.75%
Utility	0.51%	0.73%

As can be seen from the analysis, a shift from agriculture, mineral, and industrial property to commercial, residential, and utility property occurred. The total shift was approximately 1.95%, with commercial receiving 1.56% of the shift (80% of total amount).

Change in Net Tax Rates

Changes in net tax rate by district were as follows.

<u>District</u>	<u>Change in NAV</u>	<u>Change in Gross Tax Rate</u>	<u>Change in Business Personal Property Net Tax Rate</u>	<u>Change in Real Estate and Other Personal Property Net Tax Rate</u>	<u>Change in Homestead Net Tax Rate</u>
Cass Township	12.38%	-9.34%	-8.68%	-6.63%	3.70%
Wanatah Corp - Cass Twp	-0.65%	-6.59%	-5.44%	-3.47%	7.93%
Michigan City Corp - Coolspring Twp	-3.87%	-15.80%	-13.43%	-11.74%	-2.31%
Trail Creek Corp - Coolspring Twp	5.42%	-18.67%	-16.07%	-14.81%	-6.90%
Dewey Township	2.38%	-6.00%	-5.07%	-3.70%	3.52%
LaCrosse Corp (Dewey)	-6.69%	-0.84%	0.51%	1.86%	11.29%
Michigan Township	77.27%	-21.33%	-18.56%	-17.29%	-10.48%
Michigan City Corp - Michigan Twp	27.66%	-15.87%	-13.51%	-11.83%	-2.40%
Long Beach Corp (Michigan)	89.07%	-23.61%	-21.71%	-20.10%	-12.62%
Michiana Shores Corp - Michigan Twp	135.72%	-25.04%	-23.44%	-21.90%	-14.62%
Pottawattamie Park Corp (Michigan)	40.93%	-23.37%	-21.66%	-20.16%	-12.22%
Trail Creek Corp - Michigan Twp	8.73%	-18.77%	-16.19%	-14.92%	-7.02%
New Durham Township	14.72%	-14.65%	-13.79%	-13.28%	-8.01%
Westville Corp (New Durham)	32.32%	-13.26%	-12.29%	-11.51%	-4.59%
Center Township	11.84%	-2.15%	-1.01%	1.41%	9.86%
LaPorte Corp - Center Twp	-2.21%	0.47%	1.54%	3.71%	13.51%
Clinton Township	3.25%	-10.20%	-7.93%	-6.07%	1.53%
Wanatah Corp - Clinton Twp	6.29%	-8.19%	-6.00%	-4.23%	4.32%
Coolspring Township 1	11.10%	-19.87%	-16.77%	-15.58%	-8.92%
Coolspring Township 2	13.07%	-2.01%	-0.83%	1.59%	10.02%
Galena Township	24.02%	-1.48%	-0.10%	1.86%	9.90%
Hanna Township	14.61%	-9.13%	-6.78%	-4.63%	3.38%
Hudson Township	18.59%	-2.07%	-0.86%	1.09%	9.09%
Johnson Township	3.15%	2.54%	5.20%	8.04%	16.92%
Kankakee Township	4.91%	-0.95%	0.49%	2.44%	10.20%
LaPorte Corp - Kankakee Twp 1	-9.02%	1.00%	2.21%	4.10%	13.61%

LaPorte Corp - Kankakee Twp 2	9.86%	0.58%	1.66%	3.84%	13.66%
Lincoln Township	13.22%	-2.94%	-2.03%	0.28%	8.38%
Noble Township	11.37%	-10.63%	-8.47%	-6.57%	1.03%
Pleasant Township	14.09%	-2.34%	-1.30%	1.06%	9.36%
LaPorte Corp - Pleasant Twp	15.04%	0.47%	1.53%	3.70%	13.50%
Prairie Township	3.94%	-10.62%	-10.61%	-8.87%	2.16%
Scipio Township	7.58%	-2.12%	-1.01%	1.35%	9.57%
LaPorte Corp - Scipio Twp	6.42%	0.45%	1.51%	3.67%	13.48%
Springfield Township	31.12%	-19.42%	-16.33%	-14.97%	-8.17%
Michiana Shores Corp - Springfield Twp	205.56%	-24.02%	-22.22%	-20.68%	-13.41%
Union Township	10.52%	-2.30%	-1.26%	1.15%	9.77%
Kingsford Heights Corp (Union)	-8.98%	-0.16%	0.99%	3.23%	12.95%
Washington Township	-14.39%	-1.12%	0.18%	2.61%	10.86%
Kingsbury Corp (Washington)	8.21%	-2.56%	-1.67%	0.82%	10.39%
Wills Township	-8.88%	-1.07%	0.40%	2.36%	10.44%
Pottawattamie Park (Michigan) MCSanitary	52.13%	-21.19%	-19.51%	-17.34%	-8.53%
Long Beach Corp (Michigan) MC Sanitary	2526.42%	-21.18%	-32.71%	-16.96%	-8.55%
Trail Creek Corp - Coolspring Twp Sanitary	-6.30%	-16.73%	-13.93%	-12.31%	-3.50%
Trail Creek Corp - Michigan Twp Sanitary	16.57%	-16.83%	-16.83%	-12.40%	-3.61%
Coolspring Township 1 MC Sanitary	35.74%	-17.41%	-13.97%	-12.37%	-4.66%
Average	75.31%	-9.49%	-8.17%	-5.96%	2.47%

Downward pressure on tax rates came from increases in Assessed Value due to trending.

Upward pressure on tax rates came from the increased Homestead Deduction and decreased Homestead Credit rate, as well as increases in tax levies. The County was not an early adopter of the inventory deduction. The elimination of the inventory tax will put additional pressure on tax rates, residential rates in particular.

Assessment Status

Real property and sales data are in compliance with departmental and statutory requirements, and auditor data will not be available until after certification is complete. Until review is completed, it is not possible to say whether the data is compliant with departmental and statutory requirements.

The DLGF has prepared an analysis of assessed valuation change by property class based on a review of parcel data. The results of this analysis are summarized in the table below:

Property Class	Percent of Parcels with Identified Assessed Valuation Change				
	<u>Decrease</u>	<u>No Change</u>	<u>0 – 30% Increase</u>	<u>30 – 100% Increase</u>	<u>More Than Doubled</u>
Commercial	12.0%	12.5%	32.7%	19.0%	23.9%
Industrial	13.5%	11.6%	28.8%	21.4%	24.7%
Residential	5.7%	3.0%	57.2%	16.9%	17.2%
Agricultural	6.8%	56.8%	30.6%	3.3%	2.6%
Exempt	16.4%	25.4%	40.6%	7.8%	9.8%
Mineral	40.0%	40.0%	0.0%	0.0%	20.0%
Utility	19.3%	24.9%	2.7%	5.6%	47.6%
Overall	6.5%	11.5%	51.2%	15.0%	15.8%

TIF Neutralization Worksheets

The County has several Tax Increment Areas. A Tax Increment Financing (TIF) Neutralization Worksheet must be completed for each TIF District in order to calculate tax increment generated by real property growth rather than increases in assessed valuation due to reassessment or trending. The TIF Neutralization Worksheets were not reviewed for numerical accuracy but for logical analysis and completeness.

For the purposes of calculating the increment to be captured, a negative assessed value base was used in the worksheet for the Lebanon Economic Development Area TIF District. It is not logically possible to have a negative base assessed value. Using a negative base assessed value increases the tax rate for the property taxpayers in the taxing district that are outside the TIF allocation area.